

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 INT-05 GSA-02 IO-13
HA-05 PA-01 /091 W
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R 212132Z AUG 78
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 238

LIMITED OFFICIAL USE SECTION 1 OF 2 SANTIAGO 6277

E. O. 11652: N/A
TAGS: ELAB, SHUM, CI
SUBJECT: GOC MAINTAINS HARD LINE WITH COPPER MINERS

REF: SANTIAGO 6072

1. SUMMARY: IN AN EFFORT TO DEFUSE A POTENTIALLY EXPLOSIVE LABOR PROBLEM, THE GOC ORDERED ALL CHUQUICAMATA LABOR LEADERS TO SANTIAGO FRIDAY FOR MEETINGS WITH LABOR AND MINING MINISTERS. THUS FAR THE MEETINGS ARE STALLED ON THE QUESTION OF REHIRING THE SIX COPPER WORKERS FIRED, FOUR OF WHOM HAD SPOKEN AT THE AUGUST 8 ASSEMBLY. IN RELATED MOVE, THE GOC SOLVED POTENTIAL LABOR PROBLEMS AT THE EL SALVADOR AND EL TENIENTE MINING COMPLEXES. END SUMMARY.

2. THE CHILEAN MINISTER OF INTERIOR ORDERED ALL THE LABOR LEADERS INVOLVED IN THE CHUQUICAMATA DISPUTE TO COME TO SANTIAGO TO MEET WITH CODEL'S EXECUTIVE PRESIDENT GENERAL ORLANDO URBINA AND THE MINISTERS OF LABOR VASCO COSTA AND MINING, ENRIQUE VALENZUELA. ALSO INCLUDED IN THE DISCUSSIONS WERE THE GOVERNMENT APPOINTED LEADERS OF THE COPPER WORKERS CONFEDERATION (CTC). AT CHUQUICAMATA, THE WORKERS CONTINUED THEIR "NO LUNCH" PROTEST WITHOUT INCIDENT.

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3. BEFORE LEAVING THE CHUQUICAMATA MINE CENTER, THE UNION LEADERS ASKED ALL WORKERS TO MAINTAIN ORDER AND TO GO ABOUT THEIR WORK TASKS NORMALLY. IN ADDITION TO WAGE INCREASES THE OTHER MAJOR PROBLEM IS THE REINSTATEMENT OF THE SIX WORKERS FIRED, FOUR OF WHOM HAD SPOKEN AT THE AUGUST 8 MEETING. THE UNIONISTS CHARGED THAT WITHIN 24 HOURS OF THEIR DISMISSAL, CODELCO HAD A MOVING VAN AT THEIR HOMES TO EVICT THEM FROM COMPANY HOUSING.

4. PRIOR TO THE INITIATION OF THE SANTIAGO DISCUSSIONS, GENERAL RENE VIDAL, MINISTER SECRETARY GENERAL OF THE GOVERNMENT CHARGED THAT THE WORKERS AT CHUQUICAMATA WERE BEING MANIPULATED BY POLITICAL AGITATORS. VIDAL ADDED THAT THE PROBLEM WOULD BE HANDLED BY THE STATE-OWNED COPPER COMPANY (CODELCO) AND NOT BY THE GOVERNMENT PER SE. RUBINA IN A SEPARATE CONFERENCE ASKED THE WORKERS TO END THEIR "NO LUNCH" STRIKE AS CODELCO AND THE GOC WOULD NOT YIELD PRESSURE OR INSUBORDINATION. RUBINA UPHELD THE DISCHARGE OF THE SIX WORKERS ASSERTING THAT THEY WERE NOT FIRED FOR SPEAKING AT THE UNION MEETING BUT RATHER FOR PREVIOUS (UNSPECIFIED) INCIDENTS.

5. BERNARDINO CASTILLO, GOVERNMENT-APPOINTED PRESIDENT OF THE CTC, HEADED THE WORKER DELEGATION IN ITS TALKS WITH THE GOVERNMENT. CASTILLO SAID THAT THE UNION WOULD PUSH ITS REQUEST FOR AN INCREASE IN WAGES AND BENEFITS AT THE CHUQUICAMATA MINE. CASTILLO NOTED THAT A CHILEAN BLUE COLLAR WORKER AT CODELCO EARNED BETWEEN 141 AND 165 DOLLARS A MONTH. WHITE COLLAR WORKERS GOT BETWEEN 166 AND 288 DOLLARS MONTHLY, WHILE SUPERVISORS MADE BETWEEN 552 AND 2,187. CASTILLO SAID THE CONFEDERATION WANTED TO INCREASE THE ZONE DIFFERENTIAL RATE FROM THE PRESENT 35 PER CENT TO 60 PERCENT AND TO PEG ALL CONTRACTUAL BENEFITS TO A HARD CURRENCY TO PREVENT INFLATION INDUCED EROSION. SO FAR TALKS HAVE APPARENTLY GOTTEN NOWHERE.

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6. THE CHUQUICAMATA COPPER WORKERS RECEIVED EXPRESSIONS OF SUPPORT FROM OTHER SECTORS OF THE CHILEAN LABOR MOVEMENT INCLUDING THE DEMOCRATIC "GROUP OF TEN", THE CUMMUNIST DOMINATED "COORDINADORA", AND EVEN SOME PRO-GOVERNMENT LABOR ORGANIZATIONS SUCH AS THE PRIVATE EMPLOYEES CONFEDERATION (CEPCH) AND MINING LOCALS AT EL TENIENTE AND EL SALVADOR. GUILLERMO MEDINA, REGIONAL PRESIDENT OF EL TENIENTE MINE WORKERS, PRESENTED A PETITION TO THE GOC ON BEHALF OF EL TENIENTE WORKERS FOR THE RESTORATION OF THE CUT IN THE PRODUCTION BONUS SUFFERED BY EL TENIENTE WORKERS IN JULY. THE COMPANY RESTORED THE CUT AUGUST 21. LUIS ALAMOS, REGIONAL PRESIDENT OF THE EL SALVADOR MINE WORKERS, REQUESTED AND RECEIVED PROMISES OF LOANS UP TO 75 PERCENT OF A WORKER'S MONTHLY SALARY FOR THOSE COPPER WORKERS AFFECTED BY A RECENT EARTHQUAKE AT THE MINING CENTER.

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7. THE GOC AND THE LABOR LEADERS HAVE HELD THREE MEETINGS ABOUT THE SITUATION AT CHUQUICAMATA. THE CHUQUICAMATA LABOR LEADERS ARE INSISTING THAT CODELCO IMMEDIATELY REINSTATE THE SIX WORKERS, THREATENING TO GO HOME IF THIS ISSUE IS NOT RESOLVED. THE GOC SAYS THE FIRINGS WERE A MANAGEMENT PREROGATIVE. MEANWHILE THE WORKERS HAVE INITIATED A LEGAL SUIT FOR REINSTATEMENT IN A LOCAL LABOR COURT.

8. COMMENT: ALTHOUGH THE WORKERS HAVE RECEIVED PLENTY OF GENERALLY FAVORABLE PUBLICITY FOR THEIR CAUSE, THE GOC HAS HUNG TOUGH. TACTICALLY, IT WEAKENED THE CHUQUICAMATA WORKERS' POSITION BY ORDERING THE LOCAL LEADERSHIP TO SANTIAGO (A THOUSAND MILES AWAY FROM THE RANK AND FILE). THAT CTC PRESIDENT BERNARDINO CASTILLO IS REPRESENTING THE WORKERS IN THE NEGOTIATIONS CANNOT INSPIRE GREAT CONFIDENCE ON THE PART OF THE WORKERS: CHQUI WORKERS BOOED CASEILLO OUT OF THEIR UNION HALL TWO WEEKS AGO.

9. VARIOUS SECTORS ARE WATCHING THE UNFOLDING OF THIS DISPUTE WITH CONSIDERABLE INTEREST. WE HAVE THE IMPRESSION THAT THE SITUATION MAY DRAG ON FOR SOME TIME AND THAT ITS EVENTUAL RESOLUTION MAY BE CONSIDERABLY LESS DECISIVE THAN MANY LOCAL OBSERVERS NOW HOPE.

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